



# Chula Vista Business Cluster Analysis

*Leveraging Unique Assets to Compete Globally*



## Executive Summary

August 2013

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# Executive Summary

## Chula Vista Business Cluster Analysis *Leveraging Unique Assets to Compete Globally*

The City of Chula Vista has made exceptional advancement in preparing the City for the future. Leadership has pursued significant economic development initiatives designed to create new mixed-use districts, investment, and jobs in both the newer East Side and historic West Side communities, including unique visionary developments of the Bayfront Master Plan, Millenia and the University Park and Innovation District (UPID).

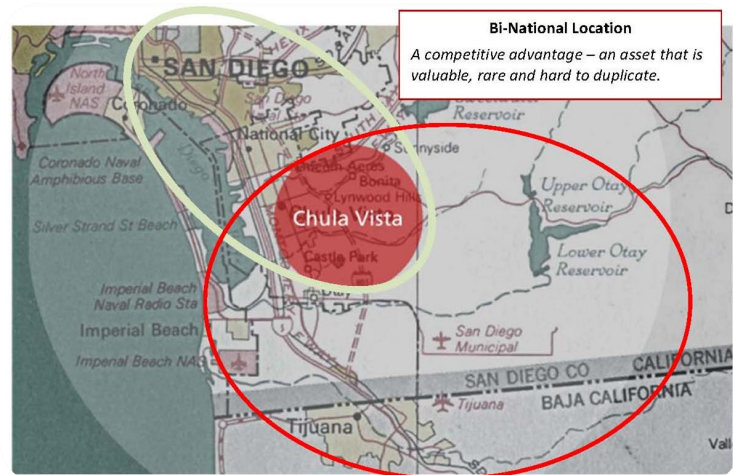
The purpose of the Chula Vista Business Cluster Analysis was to assess the City's readiness for recruitment of new businesses to attract and expand quality jobs, identify specific business clusters and provide recommendations for positioning, marketing, and business recruitment. The project involved three distinct tasks:

I: Competitive Location Assessment

II: Best Fit Industry Clusters for Chula Vista

III: Go-to-Market Strategy

What is distinctly unique that *differentiates* Chula Vista is the proximity to Tijuana, the connectivity to San Diego's resources and educational institutions as well as a multinational residence base. Chula Vista offers a quality location for headquarters, sales, research and development, and high tech testing with the cross-border manufacturing opportunity.



The Executive Summary provides overview findings of each task as well as prioritizes recommendations for policies, practices, and infrastructure needed to address the weaknesses and investment for attracting new businesses, jobs and investment.

The next key steps for Chula Vista to achieve a robust and successful economic development plan include:

1. Real estate readiness for target industries as well as protecting and preserving business park and industrial land use designations;
2. Ensure a permitting process, fee structure and incentive policy that is competitive in the region<sup>1</sup>;
3. Become a key player in Cali-Baja Mega-Region Initiative and with CONNECT;
4. Strengthen Chula Vista's unique bi-national position by building cross-border partnerships;
5. Package Chula Vista's value proposition to specific target clusters; and
6. Implement *focused* recruitment around industry clusters and opportunity sites.

These steps will require investment in marketing, business recruitment, and staff support.

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<sup>1</sup> Need to promote the fast-tracked permitting process, fee structure and incentive policy but also document that the process and fees are competitive – prove the point.

## I – Competitive Location Assessment<sup>2</sup>

The objective of the Competitive Location Assessment Report was to document Chula Vista's assets and limitations for industry cluster development that leads to significant growth in quality jobs.

Over 48 stakeholders were involved during the Competitive Location Assessment, which included a Land Supply & Building Inventory, a Corporate Location Exercise (CLE),<sup>3</sup> and Business Climate interviews.

Using a Location Decision Factor matrix, 12 key location factors were the basis for ranking Chula Vista to determine competitiveness and readiness. The 12 factors are ranked as a *Strengths*, *Neutral* (meaning neither an advantage nor disadvantage in the region), and *Weaknesses*. These are the same factors that major employers and their site acquisition consultants use to judge the competitive value of your City as a location. Specific details for each factor are included in Appendix Competitive Location Assessment.

<b>Corporate Location Exercise Ranking – 12 Decision Factors</b>	
CLE Conducted by: Austin Consulting, International Site Selectors	
Market Access	Strength
Real Estate	Current Weakness (shovel-ready <sup>4</sup> ) / potential Strength
Utilities	Neutral
Transportation	Strength / Neutral (potential west/cross town congestion)
Workforce	Strength / Weakness (Lack of documentation)
Business Climate	Neutral
Sustainable Practices	Strength
Risk Management	Strength
Business Costs	Neutral (impact fee concern)
Incentives	Neutral (loss of Enterprise Zones)
Quality of Life	Strength
Readiness	Weakness
<b>Overall Ranking</b>	<b>Neutral</b>

<sup>2</sup> Appendix – Corporate Location Assessment

<sup>3</sup> Corporate Location Exercise conducted by Austin Consulting, International Site Selectors

<sup>4</sup> Definition of “shovel-ready” generally refers to commercial/industrial sites that have had all of the planning, zoning, surveys, title work, environmental studies, soils analysis, and public infrastructure engineering completed.



## Competitive Location Exercise Ranking

The overall ranking for Chula Vista was **Neutral**.

The basis for evaluating Chula Vista as a potential site location for a corporate business was similar to a typical client project for a site consultant. Information was reviewed on local websites, a sample proposal was provided to the site consultant from the City, a site/City tour was conducted, meetings were requested with key departments and organizations, and interviews with local businesses and stakeholders.

The Corporate Location Exercise conducted by Austin Consulting, an international site location firm, would have *eliminated* Chula Vista from the search process for this project.

Several factors contribute to that decision but mainly the lack of: “shovel-ready” land, portfolio of ready-to-go-quality buildings, and protection/preservation of land uses (such as, City allowing non-compatible uses in Eastlake, a designated business park). Lack of information as well as expedited delivery of information from outside agencies also left the evaluation as a “short-list” contender open to question.

## Challenges and Constraint Findings

The following challenges and constraints were identified by the Project Team that will affect marketing, business recruitment, and business locations:

- ✦ Inability to deliver major industrial sites for new users within 6-12 months. The City’s plans designate extensive employment land, but much of it is raw land, lacking entitlements, infrastructure, and graded pads – **shovel-ready sites**.
- ✦ Dispersal of industrial uses throughout various sectors of the City, without clear district identities, consistent public improvements, concentrations of synergistic employment uses, and availability of supporting amenities.
- ✦ Non-conforming uses locating in zoned business-park or industrial areas. Use of conditional use permits (CUPs) allows commercial and non-compatible uses, which diminishes park / district as a viable location for a light industrial operation, i.e., Eastlake.
- ✦ Difficulty in competing for employment uses with huge inventory / development potential and low values / rental rates in Otay Mesa.
- ✦ Lack of reinvestment in older industrial areas, i.e., Interstate 5 corridor (Bay Boulevard / L Street) and western portion of Main Street.
- ✦ Lack of good documentation, expedited delivery of information and central location of data for community evaluation, i.e., sites, transportation, utilities, labor force, skills available, wage and salary survey, et al.

- ▲ Lack of quality marketing collateral to support *Chula Vista's value proposition to expanding and new businesses specifically in the target industry clusters*.
- ▲ Impact and connection fees are high compared to the rest of the San Diego / Imperial region and are a disincentive for new locations<sup>5</sup> (by region are we talking San Diego County? What is the source of this finding – the 07-08 BIA fee study?)
- ▲ Border crossing delays, important infrastructure to the growth in industry clusters with dual locations.
- ▲ Perceptions, not always reality, but red flags to address in marketing and promotion to change perceptions particularly within the region:
  - Perception of extensive time for permitting (noted from interviews and survey).
  - Perception of the South Bay as a tertiary market for employment uses within San Diego County.
  - Perception of lack of employers / jobs in the South Suburban Metropolitan Statistical Area (MSA) in the important traded industry clusters of Biotechnology and Pharmaceuticals, and Information and Communications Technology (ICT). *Chula Vista has employment strength in other key clusters.*
  - Perception of limited supply of executive housing and associated lifestyle amenities.
- ▲ Utility rates are comparable to the region. However, they are high compared to other southwestern locations, which for an energy-intensive company may be a disincentive (not within the control of the City).
- ▲ Another constraint not within the City's control is location in California, i.e. higher costs and higher taxes.

With this in-depth evaluation from a Corporate Location perspective, Chula Vista has the ability to move from “good to great” to become a very competitive location. The goal is to move neutral and weakness factors to *strengths*.

**Recommended Competitive Positioning:** The City will need to address policies, practices, real estate readiness, business costs, and preparation and positioning for expanding and attracting new high quality employment in the City of Chula Vista (see Recommendations for details).

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<sup>5</sup> Using City impact and connection fees and methodology, fees for test project Galaxy were calculated higher than other areas which was also supported by BIA Report.



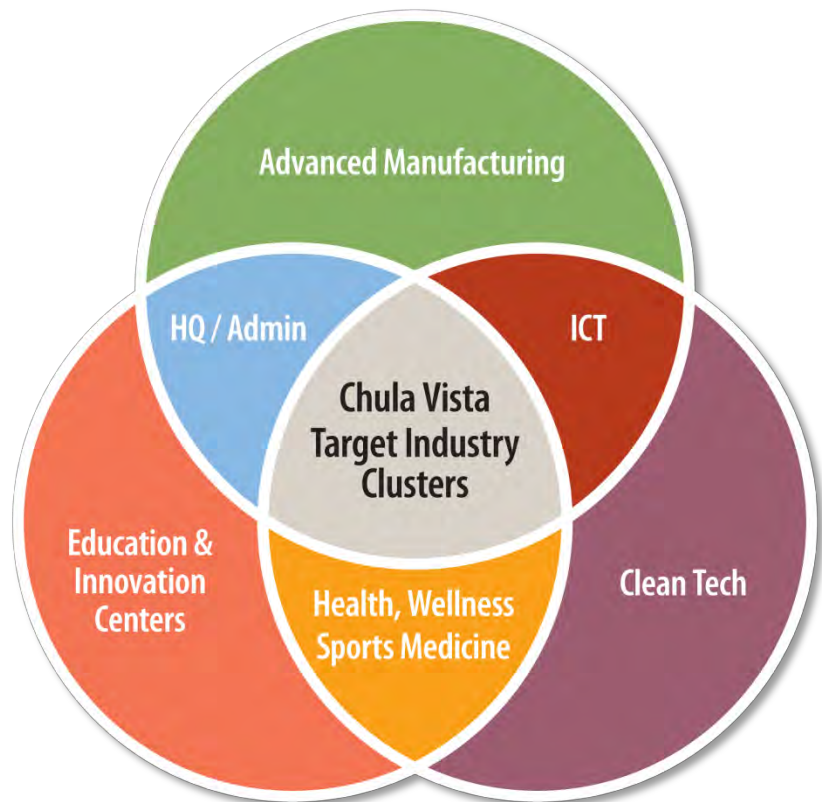
## II – Best Fit Industry Clusters for Chula Vista<sup>6</sup>

In preparation for more aggressive economic development efforts, identification of key industry clusters and specific business targets is important to moving forward. The target industry cluster task focused on opportunities for Chula Vista based on the targets identified by SANDAG as well as unique opportunities related to the large manufacturing base in Chula Vista and cross-border as well as the City's focus on energy efficiency and renewable energy.

The target industry screening process was multi-phased.

Six primary industry clusters were identified as “best fits” based on Chula Vista's strengths and assets.

There is a convergence of strengths and assets around several of the clusters, i.e. Health, Wellness and Sports Medicine.



### Recommended Targeting:

Focus on Advanced Manufacturing opportunities linked to Education & Innovation Centers while leveraging the Mexico / Tijuana connection to create a world class advanced manufacturing hub and International Gateway.

Join and actively participate in the Cali-Baja Mega-Region Initiative, position as an International Gateway and CONNECT aligning with their focus and research on Advanced Manufacturing and Sports Innovation (see Recommendations for details).

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<sup>6</sup> Separate Report

Recommended Target Industry Clusters	
<p>Advanced Manufacturing</p> <p><i>Including Precision Manufacturing, Aerospace, Navigation &amp; Maritime Technologies</i></p>	<p>Advanced Manufacturing, both in Precision Manufacturing and the Aerospace, Navigation &amp; Maritime Technologies is Chula Vista's strongest niche in the Region. This niche is also closely tied to the sectors in Tijuana.</p> <p>Opportunities in this cluster include existing base expansions, new research and development in the field, component suppliers, and potential technical training.</p> <p>This cluster also provides a unique opportunity to work with Mexico / Tijuana in building an economic <b>gateway</b> to international global markets.</p> <p>The federal / state discussions around advanced manufacturing and the growing trend for "reshoring" and "near-shoring" bring special opportunities to this sector.</p>
CleanTech	<p>Chula Vista's clean tech reputation can help drive this industry cluster development. This is an emerging field that crosses over industry sectors. Environmental instrument manufacturing and industrial design services could be unique opportunities.</p> <p>Industrial design services may bring an element of innovation to this cluster. Within manufacturing, niche opportunities for small-medium sized companies in instrument manufacturing to support energy monitoring and efficiency.</p>
Education & Innovation Centers	<p>Education &amp; Innovation Centers are closely tied to Chula Vista's Advanced Manufacturing niche and bi-national location. In addition to attracting a 4-year university Chula Vista could create technology and innovation centers specific to advanced manufacturing – automotive, aerospace, and electronics industries, as well as becoming a provider of technical education for skilled manufacturing employees in these sectors.</p>
Information & Communications Technologies	<p>This cluster could leverage the manufacturing industries by developing better information tracking systems to help manage manufacturing processes.</p>
<p>Health &amp; Wellness Services (Sports Medicine)</p> <p><i>A convergence of sectors with asset opportunities.</i></p>	<p>Given the strong industry presence in other areas of the region, Chula Vista is not generally competitive for the bio-tech component of health services. However, there may be demand for additional health service providers in the City and opportunity for "health-wellness tourism", people traveling from Mexico and other areas for service and recuperation not just medical side of the equation as health services is typically population-driven.</p> <p>A unique niche and a growing niche in San Diego is the Sports Innovation Cluster (defined by CONNECT). Tying Chula Vista's Olympic Training Center to a "Sports Innovation" or "Sports Medicine" field could mean a convergence of tourism, health, wellness, fitness, and manufacturing industries supporting sports and athletes.</p>

Other opportunities for Chula Vista will emerge as the economy returns, new innovation happens and growth in the market occurs, such as diverse manufacturing. The sectors in this analysis are Chula Vista's best opportunity for success. Preparing for the target sectors will also prepare you for a better and more rapid response to inquiries outside the target areas.

### III – Go-to-Market Strategy

The final task of the project addresses Business Retention, Expansion, and Attraction – a Go-to-Market Strategy. The Go-to-Market Strategy assumes that the City will take appropriate action to address competitiveness and change weaknesses to strengths.

The purpose of the Go-to-Market Strategy is to:

1. Recommend Business Retention & Expansion actions focused on Chula Vista's key industries;
2. Recommend packaging, marketing, promotion and recruitment tactics for the targeted Industry Clusters; and
3. Provide an initial screened list of Target Industry businesses (domestic and international) in each cluster to launch prospecting efforts.

The Go-to-Market Strategy is focused on the Industry Clusters identified in Task II Business Cluster Analysis and would be supplemental to the City's Economic and Marketing and Communications Plans. It is not intended to be an overall City branding, marketing or communications plan. All information and recommendations are focused on business retention, expansion, business attraction marketing, and prospecting tactics.

From a marketing standpoint, there are unique assets and strengths that offer two key messages supported by proof points:

**Message: *Our Location, Your Success***

**Proof Points**

- Chula Vista's proximity to Mexico and their growing industry clusters; a bi-national location and international gateway;
- Availability of affordable land and buildings in combination with lifestyle amenities;
- Heavily traveled goods movement along Interstate 5 Corridor;
- Central proximity to major educational and regional advanced training centers provides access to graduates from UCSD, SDSU, USD, Point Loma Nazarene and Baja Schools;
- Presence of a multinational residence base.

**Message: *Quality Location, Unique Development Opportunities***

**Proof Points:**

- Vision-oriented and sophisticated Leadership with the ability to navigate state and federal regulatory agencies (Coastal Commission) to achieve change and results;
- United Technologies Aerospace Systems, a leading aerospace company and foundation for advanced manufacturing cluster;
- Largest planned University Park & Innovation District in the region;
- The Olympic Training Center (only one of three in the nation) provides anchor to the convergence of health, wellness, tourism, recreation and sports cluster;
- Continued creation and enhancement of “24/7” environments for “live / work / play”.

**Recommended Go-to-Market Strategies** are focused on business retention and expansion outreach, packaging and promotion, and business attraction prospecting tactics (see Recommendations for details).

## Project Recommendations

Recommendations are based on the project findings and focused on moving Chula Vista from “good to great” as it relates to being competitive for business locations.

The City is currently constrained with limited “shovel-ready” sites in quality business-park environments. This is a readiness priority and plans should be put in place to have sites ready within the foreseeable future, which will require collaboration with developers/owners. Competitiveness recommendations include:

- Project Development, Policies & Practices
- Real Estate Readiness
- Positioning

From a business attraction / recruitment perspective, now is the time to be marketing and calling on prospective businesses. Location decisions from the time of first contact to decision will typically range from 18-36 months, which is well within the range of Chula Vista having “shovel-ready” properties. Go-to-Market recommendations for business retention, expansion and attraction include:

- Packaging
- Marketing, Communications and Prospecting

### Recommendation 1.0: Project Development, Policies & Practices

The City has done an exceptional job in planning and visioning for the future. As the economy begins to return, the Project Team recommends the City stay focused on the Vision, General Plan and the transformational goals it has put in place as well as addressing policies that will strengthen the long-term competitiveness for significant development and expansion of new, high quality employment uses in Chula Vista:

- 1.1 Implementation, e.g., groundbreaking of one or more major new mixed-use developments on the East Side – the City does not control the project but should focus on early wins.
- 1.2 Agreement with a university for development of at least an initial phase campus within the UPID. The City and HomeFed partnership is leading the planning and recruitment effort, with assistance from planners Ayers Saint Gross and U3 Ventures. The City and HomeFed should also consider, in addition to a four-year university, alternative education institutions, such as professional or research schools, institutes, research centers, etc.
- 1.3 Feasibility study, financing plan, and timeline for completion of Main Street / Rock Mountain / Hunte Parkway. Completion of this corridor from I-805 to SR 125 is an essential link both for accessibility and marketing sites in the southern portion of Otay Ranch.

- 1.4 Continue progress on implementation of the Bayfront Master Plan.
- 1.5 Protect and preserve business park and industrial zoning. There has been a trend to allow, through Conditional Use Permits, family/consumer focused commercial uses in light industrial and industrial zoned areas. As noted in the evaluation by Site Consultant Frank Spano, *“Eastlake was a quality location for small industrial / assembly type operations until non-conforming uses located within the vacant space. This was one of the few (only) locations where a company could construct a building on a Greenfield site. **BUT**, due to non-conforming uses throughout the park this location would be downgraded by most consultants / companies as a viable location for a light industrial operation.”*
- 1.6 A “red flag” item is the length of time for permitting and should be addressed in the short term. The City does have an “expedited” process for permitting priority business opportunities; however, there still remains a perception that the permitting process is difficult and lengthy. This, whether reality or perception, must be documented in sales packages with case studies where projects have been fast-tracked – with a goal of demonstrating that permitting can be completed within six months (ready-to-go property). This should also be a routine item of discussion with brokers.
- 1.7 Permitting and up-front connections fees appear to be high and even higher compared to other areas in the region. This could be a *disincentive* for those businesses looking to locate and trying to reduce their upfront costs. Fees should be in line with other areas in the region, documented as such when showing to a prospect. Based on the location test case used for the assessment the fees were higher. This was also a comment voiced often in interviews with business. Whether a perception or reality, documenting and comparing processing time and fee structure to other areas in the region will dispel the perception.
- 1.8 The key incentive for companies seeking location is the Enterprise Zone Tax Credit (sales and employee credits) that reduces a company’s state liability tax. There are other incentives such as Foreign Trade Zone and Recycling Market Development Zone but those will be used on a case by case basis. A draft Local Business and Jobs Investment Policy prepared in July 2012 is an excellent start on a local package. Incentive packages should focus on reducing any fees, or deferral of fees that could become a disincentive to any investment. Most companies with large investments will be looking for incentive opportunities to reduce upfront costs.
- 1.9 Work with City-owned as well as privately-controlled utility / infrastructure departments to coordinate a “Team Approach” in securing and presenting information to site selectors and companies interested in Chula Vista. Prior to launching any recruitment plan, review with all parties 1) industry targets, 2) high



level information needed for sales packages and proposals, and 3) the marketing / recruitment plan and schedule so they can be prepared to answer questions for prospects contacted by the City. When Chula Vista Economic Development requests information from energy or telecommunications, there should be an agreement that the company will get the information back in a timely manner.

## Recommendation 2.0: Real Estate Preparedness

The Corporate Location Assessment identified lack of “shovel-ready”<sup>7</sup> land as one of Chula Vista’s major weaknesses. The following are recommended as **key near-term (five years) actions steps** from a land use / real estate perspective in support of the City’s goal of attracting high quality employment:

- 2.1 Complete land use and zoning designations for the remaining Otay Ranch villages. These planning processes are currently underway at the same time that the City and HomeFed Corporation are working on planning and recruitment for the proposed university at UPID. As the City and its development partners complete each successive planning process and initiate new developments, there is an opportunity to publicize and market the City’s changing land use pattern.
- 2.2 Define site constraints and development potential for the 85-acre portion of the University Park and Innovation District, so that marketing efforts can commence now, rather than waiting for the university.
- 2.3 Bring online within the next 18-36 months, several “shovel-ready” sites demonstrating that planning, zoning, surveys, title work, environmental studies, soils analysis, utility readiness, and public infrastructure engineering has been completed.  
  
If feasible, to make the shovel-ready site more competitive bring public infrastructure to the site – all utilities including high-speed broadband access. The City has the opportunity to utilize its existing infrastructure to provide the latest telecom infrastructure to meet the needs of “data-telecom” driven businesses more cost effectively than other areas.
- 2.4 As noted in Recommendation 1.5, put in place systems to protect and preserve the zoning for high quality employment uses.

“Chula Vista is currently positioned for smaller-type operations that need to be located within the San Diego metro area, but could be competitive for larger facilities (100,000SF). In that arena they will be competing with surrounding communities and the only way to effectively compete is to have “shovel and pad ready” sites.”

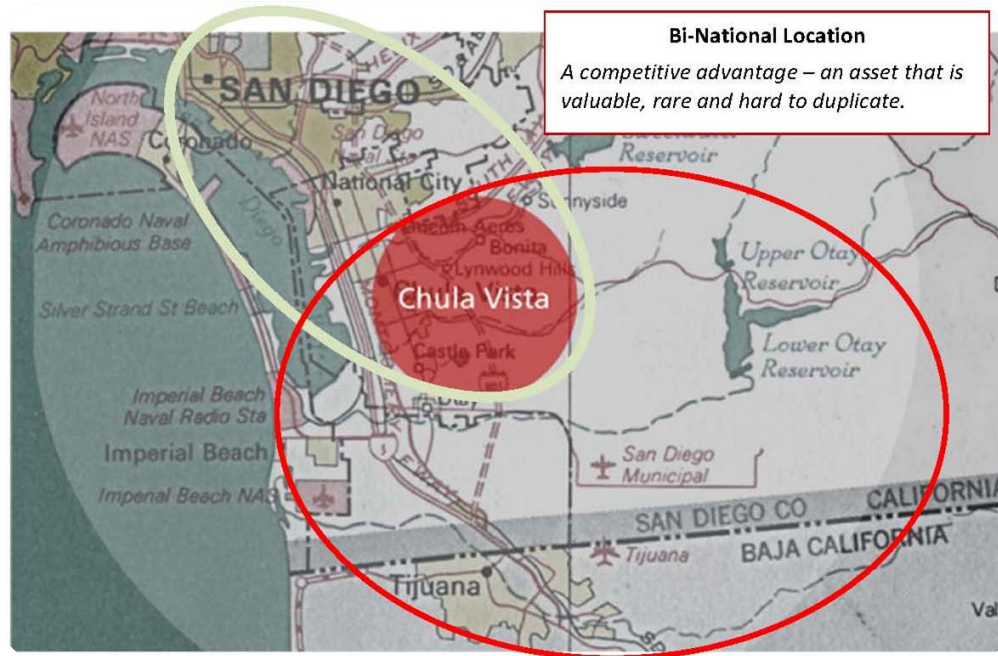
*Frank Spano, Managing Director  
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<sup>7</sup> Definition of “shovel-ready” generally refers to commercial/industrial sites that have had all of the planning, zoning, surveys, title work, environmental studies, soils analysis, and public infrastructure engineering completed prior to putting the site up for sale. Often referred to as “pad-ready” and is location ready within six to eight months. Many communities across the US have third parties “certify” sites as “shovel-ready” or “certified-ready”.

- 2.5 Identify a site for an Advanced Manufacturing facility of 100,000 sq. ft. or more.
- 2.6 Identify City-supported financing strategies and mechanisms available to land developers and builders to assist with site preparation and infrastructure needed for new industrial uses. Many older industrial uses on the West Side are in need of rehabilitation or teardown / new construction. In the absence of redevelopment funding, the City needs to work with property owners and businesses to identify optimal financing approaches to support reinvestment in these areas.
- 2.7 Assist property owners in branding industrial / employment sub-areas on both the West Side and East Side.
- 2.8 The City should work with property owners and other district representatives to create stronger district identities, including geographic boundaries, building profiles, tenant mix, and principal strengths and weaknesses. These identities can be used to prioritize public improvements, marketing programs and tenant recruitment efforts.
- 2.9 Identify opportunities for incubator or “accelerator” space with developers, building owners, and / or current businesses with surplus space.
- 2.10 The ambitious plans for the City’s Bayfront and East Side are difficult to grasp in the abstract. As plans are approved, and new developments initiated, the City and its partners should pro-actively market its readiness for new development, identifying both the opportunities for developers and the City’s requirements. This would likely take the form of a continued concerted outreach effort through channels such as NAIOP, BOMA, ULI, BIA, UCSD CONNECT, Regional EDC, Clean Tech, broker caravans, etc.
- 2.11 “Place making” will continue to be important. Major employers are increasingly concerned about quality of life issues for their employees, as well as economic and environmental sustainability. The creation and enhancement of “24/7” mixed-use environments that accommodate “live / work / play” is an essential economic development tool. The City is aggressively pursuing new mixed-used developments with place making amenities, such as Millenia, University Park and Innovation District, University Village on the East Side and the Bayfront Master Plan and should continue to do so.

### Recommendation 3.0: Positioning

Chula Vista's bi-national location is an under-utilized, unique and rare asset. Locating companies in California is a challenge at best given the state's reputation, regulatory climate, and tax structure and puts Chula Vista in direct competition with other southwestern states which, on a comparative basis, have a lower cost structure.



Following are recommendations to strengthen this unique bi-national position and opportunity to collaborate with Mexico / Tijuana on creating a dynamic International Gateway and utilizing the advanced manufacturing strength to position for additional recognition in this field:

- 3.1 Join and be a key player in the Cali-Baja Mega-Region Initiative. Chula Vista needs to be at the table.
- 3.2 Join and participate with CONNECT, particularly as it relates to Advanced Manufacturing initiatives and Sports Innovation Clusters.

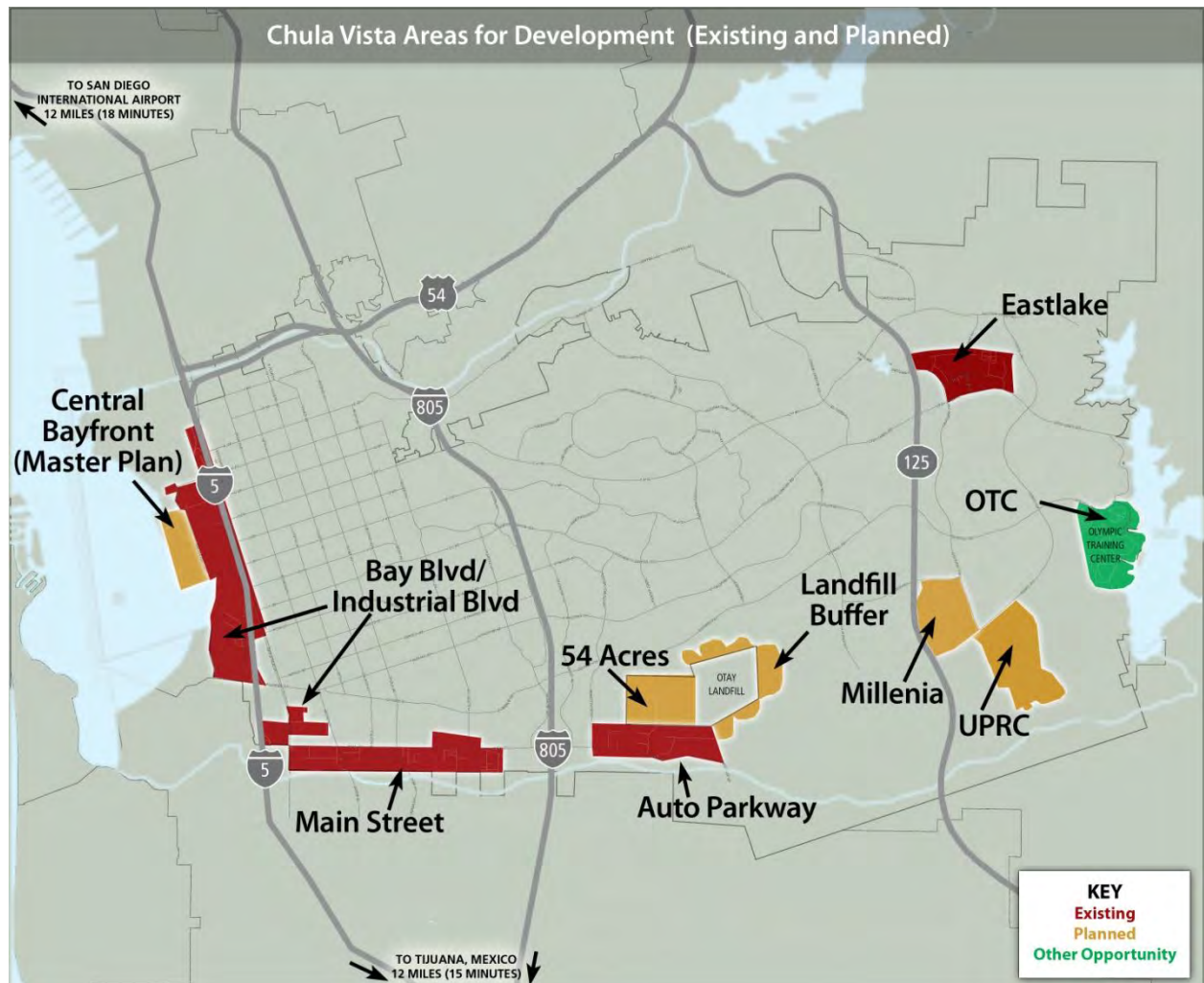
- 3.3 Chula Vista is well positioned to be an Advanced Manufacturing Hub linked to education and training (University Park and Innovation District). There is much discussion about potential federal / state funding for an Advanced Manufacturing Center in the US and California. Participate with San Diego State, CONNECT and other organizations in the discussion and plans for competing for a federally designated Advanced Manufacturing Center. This is a short-term opportunity, for the long-term continue to build the Advanced Manufacturing Hub.
- 3.4 Chula Vista should begin meetings and develop a stronger working relationship with Tijuana EDC. Chula Vista and Tijuana can benefit from a collaborative economic development approach, particularly in attracting *Foreign Direct Investment* (FDI). Beneficial synergies include:
- 1) Agreement to assist with location packages for Mexican companies seeking to have a US presence but needing to remain close to the border;
  - 2) Chula Vista and Tijuana share industry clusters, particularly in the advanced manufacturing fields. This synergistic relationship creates a unique *selling proposition* as well as positions both cities as a world-class advanced manufacturing hub;
  - 3) Collaborate and leverage recruitment activities to attract manufacturing to Mexico from China or India (near-shoring) who also desire to have a regional headquarters nearby, but in the United States, a benefit to both and a stronger marketing package to the prospective company;
  - 4) Working together identify assets that each partner can bring to the marketing package to make a stronger value proposition for businesses, such as, proximity to educational and research institutions;
  - 5) Collaborate with Tijuana in a manner that transforms the Chula Vista / Tijuana Region into a North American gateway to the Global Economy that benefits both economies.

## Recommendation 4.0: Packaging

The Competitive Location Assessment identified quality location decision information and marketing collateral as a weakness. Existing available data sources are highly fractured and disjointed, generating confusion and lack of awareness among potential users and clients.

Resources, beyond staff time, will be needed to complete packaging recommendations:

- 4.1 Compile a single inventory database and user-friendly map identifying all existing and planned industrial areas within the City, applicable zoning, major property owners / broker contacts, and probable timing of delivery.





4.2 Collateral materials to support marketing and business attraction should include:

- 1) Map booklet / brochure;
- 2) Citywide street map;
- 3) PowerPoint presentation;
- 4) Update Website focusing on Chula Vista's value proposition as a premier location for business and industry;
- 5) Sales package (aka business cases) for each target industry that presents a value proposition of why that industry is a fit for a Chula Vista location.

4.3 Prepare Data Set files (12) that provide detailed information on Chula Vista, including market access, business overview, labor, real estate, utilities, permitting, transportation, government services, incentives, and quality of life.

4.4 Labor, workforce and commuter data is weak and is a key location factor. Chula Vista has unique proximity to the UC-State education systems, which is one component of the workforce, typically engineering. There needs to be a stronger workforce training alliance / coalition with Southwestern College and others to meet the other needs (vocational) of manufacturers, particularly advanced manufacturers. There also needs to be better documentation of the existing labor base, which may require a labor force study / analysis be completed if the data cannot be gathered by local agencies to meet the needs of business.

### **Recommendation 5.0 Marketing, Communications and Prospecting**

The Go-to-Market Strategy<sup>8</sup> focused on those activities to market Chula Vista to the target industry clusters, both existing and new, generating leads, and prospective business expansion and location opportunities.

To implement effective marketing and prospecting, this effort will need dedicated resources. The Project Team estimates a budget range of \$214,000-\$371,000 for implementing and maintaining an effective Marketing Strategy.

Specific marketing and business attraction recommendations and tactics, along with budget detail are included in the Go-to-Market Strategy report. Below is an overview of the recommended tactics, which focus on direct marketing / prospecting to business targets:

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<sup>8</sup> Separate Report



- 5.1 As a retention program, hold CEO Roundtables with all major manufacturers in Chula Vista and headquarter / regional offices of companies with manufacturing facilities in Tijuana / Baja (3 times per year). The purpose is to listen to their needs, respond and ask in return that they be part of the City's economic development efforts in providing advice, comment, leads and talking with prospective businesses.
- 5.2 Existing anchor businesses, representing the target industry clusters, should be the focus of economic development staff. Collaborate with other departments and South County EDC to ensure outreach to all industry cluster businesses.
- 5.3 Schedule trips, as needed, to call on the Headquarters of existing companies located in Chula Vista.
- 5.4 Use the unique bi-national / international gateway position in all marketing and communications.
- 5.5 Business attraction marketing and tactics include:
  - 1) Direct Marketing – using a qualified list of target businesses, direct calls and presentations;
  - 2) Bi-National Marketing Collaborative – with Tijuana EDC promote / sell the bi-national location, leverage the assets of both Chula Vista and Tijuana, particularly as a Foreign Direct Investment marketing coalition;
  - 3) Leveraged Marketing – face-to-face connections with decision makers through TeamCalifornia venues;
  - 4) Relationship Marketing – communications and venues with site selectors and brokers;
  - 5) LinkedIn Group Marketing – communications with target industry groups.
- 5.6 Increase earned media with placements of news, articles, announcements, and stories in key industry trade publications.

## Conclusions

Chula Vista has built a vision and pathway to unique opportunities to create economic prosperity for the City and its residents.

Attracting traded sector businesses, as identified in this report, will provide quality employment to residents as well as generate a higher economic multiplier effect on the local economy...*creating more jobs and demand for local services from existing businesses.*

Now the goal is to remove or mitigate any reason for a company to eliminate Chula Vista from the search process.

From a business attraction perspective the City should implement strategic actions to be successful in moving forward on a results-oriented business recruitment initiative:

- Focus on improving competitive advantages, providing “shovel-ready” sites and protecting the land use and zoning for high quality employment uses;
- Leverage opportunities with Cali-Baja Mega Region, CONNECT and Mexico / Tijuana for an International Gateway that attracts domestic and foreign companies;
- Build upon the advanced manufacturing hub opportunities; and
- Invest in packaging and direct marketing to prospective businesses.

With these actions Chula Vista can market and leverage their unique assets to compete globally.

## 3.2 Chula Vista Business Cluster Analysis – Project Team



### **Audrey Taylor, President & CEO, Chabin Concepts**

Audrey founded Chabin after 10 years in the Economic Development field. Chabin Concepts has been advising local communities, counties, regional economic development organizations, and even states on their economic development programs and policies since 1988.

Chabin uses a team approach to research a community's competitiveness (strength, weaknesses and opportunities), and then focusing on assets identifies "best fit targets" and delivers a customized go-to-market strategy for the community.



### **Sarah Murley, Co-Founding Partner, Applied Economics**

Sarah is a co-founding partner of Applied Economics. Sarah has conducted economic base analyses, business climate assessments, target industry analyses, supplier identification strategies, occupational assessments and labor market analyses, and community improvement plans for numerous cities, counties, and economic development agencies.



### **Frank Spano, Managing Director, Austin Consulting**

Frank is responsible for managing and directing all operations of Austin Consulting. Austin Consulting is the location strategy consulting division of The Austin Company, an industry leader in assisting corporate client in developing national and global location strategies, relating to community and site selection, incentive negotiations and property due diligence for manufacturing plants, distribution facilities, R&D, services centers, data centers and offices. Austin has completed over 1,700 consulting assignments.



### **Paul C. Marra, Senior Principal, Keyser Marston Associates, Inc.**

Paul is a senior principal with Keyser Marston Associates, Inc. in the San Diego office. He has over 25 years experience in real estate market and financial evaluation, fiscal and economic impact assessments, and public/private partnerships.



### **Daniel Silverman, V.P., Business Development, Research on Investment**

ROI, Research On Investment, is a specialized market research firm that produces validated lead generation services based on originally sourced intelligence. ROI monitors the trajectory of corporate investment by proactively gathering and analyzing market intelligence on areas such as industry trends, investment trends, and specific businesses across a multitude of geographic locations and industrial sectors. The ROI service is unique because proprietary research methodologies are directly related to a fundamental understanding of the corporate investment and site selection process.



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